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DE RUEHKL #1675 3381051
ZNY CCCCC ZZH
O 041051Z DEC 07
FM AMEMBASSY KUALA LUMPUR
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0325
INFO RUCNASE/ASEAN MEMBER COLLECTIVE PRIORITY
RUEHBY/AMEMBASSY CANBERRA PRIORITY 2421
RUEHLO/AMEMBASSY LONDON PRIORITY 0356
RUEHKO/AMEMBASSY TOKYO PRIORITY 2475
RHEHNSC/NSC WASHDC PRIORITY
RUEHUNV/USMISSION UNVIE VIENNA PRIORITY 0116
RUCNDT/USMISSION USUN NEW YORK PRIORITY 1052

C O N F I D E N T I A L KUALA LUMPUR 001675

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STATE FOR ISN, EAP AND EAP/MTS
NSC FOR RENEE PAN AND L.PHU

E.O. 12958: DECL: 12/04/2022

TAGS: [PARM](#) [PREL](#) [KNNP](#) [MNUC](#) [IR](#) [MY](#)

SUBJECT: IRAN DEMARCHE DELIVERED; SENIOR IRAN ENVOY LOBBIES
MALAYSIA; GOM WEIGHING APPROACH TO UNSC SANCTIONS

REF: STATE 162558

Classified By: Political Section Chief Mark D. Clark reasons 1.4 (b and d).

11. (C) Polchief on December 4 delivered reftel demarche regarding the U.S. National Intelligence Estimate on Iran's nuclear program to Wan Yusri, Principal Assistant Secretary in the Multilateral Political Division of Malaysia's Foreign Ministry. Yusri thanked polchief for the timely information and the clarification of the U.S. position. The media reports of the NIE had attracted the immediate attention of senior Foreign Ministry officials who wanted to know the impact of this on U.S. views of further UN Security Council sanctions against Iran. Polchief emphasized that if Iran continues to disregard the legitimate concerns of the international community, the U.S. would continue to work with the international community to put in place effective measures to persuade Iran to meet its nonproliferation obligations.

12. (C) Wan Yusri added that coincidentally Iranian envoy Javad Zarif, Senior Assistant to the Iranian Foreign Minister, had called on the Foreign Ministry earlier on December 4. Javad Zarif met with Malaysian Foreign Minister Syed Hamid Albar and primarily discussed issues related to Iran's "nuclear program," in addition to some bilateral matters. Wan Yusri would not elaborate further on Javad Zarif's discussions or mission in Malaysia.

13. (C) Polchief used the opportunity to highlight the importance of Malaysia putting into place an adequate export control regime and thus ensuring compliance with UN sanctions and NPT obligations. All countries need to mitigate against the risk of others misusing their territory and harming their international reputation through such acts. Lack of an export control regime also could harm a country's longer term commercial interests. Polchief asked if Malaysia had submitted its required UNSCR 1737 report. Wan Yusri said he did not know whether Malaysia had submitted its report to the UN. He noted that Malaysia's rapidly expanding trade with Iran was a fact "that could not be denied." In light of this, the Malaysian government wished to ensure that Malaysian entities do not inadvertently violate UN sanctions. The vague wording of some of the UNSC sanctions made judgments more difficult. On several occasions, Malaysian banks had delayed credit decisions for Malaysian companies proposing new ventures in or with Iran because of ambiguity over the UNSC sanctions. Malaysian agencies, including the

Finance Ministry, the Ministry for International Trade and Industry, and the Central Bank, had met periodically to discuss this issue. Relevant agencies were drafting a briefing paper to present to the Cabinet on the subject of sanctions against Iran and Malaysian commercial activities.

KEITH